PETERS EDITION LTD. & ANOR.

v.

RENNER PIANO CO.

HIGH COURT, SINGAPORE
YONG PUNG HOW J
[CIVIL SUIT NOS. 103 & 104 OF 1989]
24 NOVEMBER 1989

COPYRIGHT: *Breach - Passing off - Pirated editions of music books - Trap purchases - Injunction - Damages.*

CIVIL PROCEDURE: *Anton Piller Order - Ex parte - Execution - Joint inspection - Genuine copies removed - Infringement of Order.*

CIVIL PROCEDURE: *Two suits taken together by consent - Consent judgment - Amendments of statement of claim and defence - Further arguments under s. 34(2) Supreme Court of Judicature Act (Cap 332) [Sing].*

Renner Piano and Co., who are local retailers of musical instruments and publications, are the defendants in two separate suits, 103/89 and 104/89. The plaintiffs are Peter Edition Ltd. and The Associated Board of the Royal Schools of Music, who are both musical publishers in the United Kingdom. In both suits, the respective plaintiffs alleged against the defendants the infringement of copyright and passing off and claimed a declaration of infringement of copyright; an injunction to restrain the defendants; an order for delivery up for destruction; an inquiry as to damages or an account of profits and cost. The suits were taken together by consent, whenever possible.

The defendants have not really contested the claims. In suit 103/89 the defendants admitted infringement of the plaintiffs copyright 'the Works' and were liable to the plaintiffs in damages flowing directly and naturally from their infringement but not in aggravated or additional damages. The defendants consented to judgment being entered against them, with an inquiry to be held to quantify damages. In suit 104/89 the statement of claims and defence were amended and no judgment has been entered.

In the execution of the Anton Piller order, a considerable quantity of materials was seized and removed to be kept in safe custody by the plaintiffs' solicitors. The defendants believed the genuine copies of the works, which they had bought from the plaintiffs and for which they had paid had also been taken away. The defendants claimed for the release and return of the genuine copies set out in the schedule. The plaintiffs argued against the release and return as the seized materials constituted the evidence which the plaintiffs need to prove their case. Subsequently the seized materials in the warehouse had been removed from their original container and placed in another location without the knowledge of the plaintiffs' solicitors.

The present appeal relates to the use by each of the plaintiffs of the Anton Piller procedures.

Held:

[1] An order that the musical publications set out in the schedule be released and returned to the defendants.

[2] The Anton Piller Order allowed the plaintiffs to remove only unauthorized reproductions of the Works, and since the stocks in the defendants premises included both genuine copies of the Works and unauthorized reproductions, it is an inescapable inference that at least some of the works were also removed. The powers accorded by the Anton Piller Order imposed on the plaintiffs a serious responsibility to see that the terms of the order are strictly adhered to and that there is no breach of any of the terms, if they are not to become instruments of oppression. Their limits must be meticulously obeyed and enforced. Furthermore when the seized materials had been removed without the knowledge of the plaintiffs' solicitors, this is a breach of the plaintiffs undertaking with regard to safe custody.

[3] The plaintiffs argument that the seized materials constituted the evidence which the plaintiffs needed to prove their case was unfavourable as the defendants had already admitted liability in principle and consented to judgment being entered against them.

[4] Damages should be quantified and a supplemental order is made for the parties to arrange a second joint inspection within 28 days so that the publications to be returned under the order of Court could be re-identified and the orders carried out, with liberty to apply.

[Order accordingly.]

Case referred to:
Columbia Picture Industries & Ors. v. Robinson & Ors. [1986] FSR 367

Legislation referred to:
Supreme Courts of Judicature Act (Cap 332) [Sing], s. 34(2)

For the plaintiffs - Anthony Lee (Chew Kherk Ying with him); M/s. Allen & Gledhill
For the defendants - H E Cashin (Clive Heng with him); M/s. Murphy & Dunbar

JUDGMENT

Yong Pung How J:

Renner Piano & Co., who are local retailers of musical instruments and publications, are the defendants in two separate Suits, 103/89 and 104/89, commenced against them in January 1989 by Peters Edition Ltd. and The Associated Board of the Royal Schools of Music, who are both musical publishers in the United Kingdom. The defendants have been long standing customers of both plaintiffs and have been making frequent purchases from them. In both suits, the respective plaintiffs alleged against the defendants the infringement of copyright and passing off. Each suit therefore claimed a declaration of infringement of copyright; an injunction to restrain the defendants; an order for delivery up for destruction; an inquiry as to damages or an account of profits, and costs. Both plaintiffs are represented by Allen & Gledhill and the defendants are represented in both suits by Murphy & Dunbar. As the principles of law and the material facts in both suits were on identical lines up to a point, proceedings in the two suits have been taken together, by consent, whenever possible. To avoid unnecessary repetition, I will refer in these grounds of decisions only to the events and development in Suit 103/89.

The defendants have not really contested the claims. (In Suit 103/89 they admitted that they had infringed the copyright of the plaintiffs the Works, and were liable to the plaintiffs in damages flowing directly and naturally from their infringement, but not in aggravated or additional damages. On 20 September 1989 they consented to judgment being entered against them, with an inquiry to be held to quantify damages. In Suit 104/89, the statement of claim and the defence were amended, and no judgment has been entered.) What had led to dispute,

and directly to the present appeals, however, have been the use by each of the plaintiffs of the Anton Piller Order procedure, and the subsequent developments which have flowed from it.

The execution of an Anton Piller Order can hardly ever be pleasant affair. In our Singapore environment, all available evidence to date indicates that the intrusion is invariably a traumatic experience for the hapless defendants and can be bitterly resented, whatever the surface appearances may be. This is especially so when local retailers with long established businesses quickly convince themselves that the law is unnecessarily helping their foreign suppliers to trample over them. Never mind that they have infringed copyright and may very well deserve to be penalized; theirs has been a way of life in their type of business for many years before the copyright laws became more effectively enforced recently, with the additional availability of Anton Piller remedies, and being brought back to earth is not welcome to them. The instant case, unfortunately, was no exception.

In the case of Suit 103/89, the plaintiffs had been concerned since about November 1989 that the defendants might be selling pirate editions of a series of music books entitled "Read and Play" ("the Works") in which they owned the sole and exclusive copyright. Their concern was not resolved by their correspondence with the defendants in 1987 and early 1988. On 17 August 1988, on the instructions of their solicitors, a private investigator from a security firm made trap purchases of a copy each of four of the Works. The copies were sent back to the United Kingdom for tests to be done on them. With one minor exception in 1974 which is not relevant, the Works have only been printed for the plaintiffs by 2 printing firms, Halstan & Co. Ltd. and Caligraving Ltd; and printing has been done since 1980 only on a special type of paper manufactured for the plaintiffs by Caldwells Mill in Scotland. Two of the 4 copies were identified by Caldwells Mill, after scientific analysis in their scientific laboratories, to be on paper which was not manufactured by them; after independently examining these 4 copies, Halstan & Co. Ltd. and Caligraving Ltd. were also able to confirm that the same 2 copies had not been printed or bound by them. What I think is an important consideration in this case is that it is clear from the detailed reports of Halstan & Co. Ltd., Caligraving Ltd. and Caldwells Mill that the process of distinguishing between copies of the Works and pirated editions is not so simple, and depends for its absolute reliability on much more than a cursory examination.

On 17 January 1989, when the writ was filed, the plaintiffs made an *ex-parte* application by way of summons-in-chambers for an Anton Piller Order. The Anton Piller Order sought was in wide terms, and was obtained and executed immediately on the same day. Upon the plaintiffs' undertaking by their Counsel to keep in safe-custody any articles which might be taken and to pay damages, if later found liable, the defendants were required, *inter alia*, to permit entry and search of their premises, and the identification and removal of any unauthorized reproductions of the Works which might be found. The identification work was done by, and under the supervision of, a Mr. Dyer, the Chairman and managing director of the plaintiffs, who was in Singapore for the purpose. A considerable quantity of materials was then seized and removed, to be kept in safe-custody by the plaintiffs' solicitors.

The defendants were unhappy about what had happened; in particular, they believed that genuine copies of the Works, which they had bought from the plaintiffs and for which they had paid, had also been taken away. They took stock of the position and on 13 April 1989 their solicitors wrote to the plaintiffs' solicitors to arrange a joint inspection of the seized materials. They wanted to verify what had been removed and to satisfy themselves that the plaintiffs had taken away only unauthorized reproductions of the Works. On 3 May 1989,

the joint inspection took place at that warehouse in which the seized materials had been stored by the plaintiff' solicitors. The defendants were represented by 2 partners and 2 clerical assistants who were accompanied by a partner of their solicitor; the plaintiffs were represented by legal assistant from their solicitors and by one of the investigators who had made the trap purchases. The defendants alleged that their representatives found the seized materials piled up inside a container in a haphazard and disorderly fashion, and that they then re-sorted them into two separate piles, of copies of the Works, and of unauthorized reproductions respectively. Following the joint inspection, the defendants took out a summons-in-chambers on 30 May 1989 for an order that the plaintiffs release and return unconditionally to them those musical publications in the container which were set out in the schedule to the summons, which they claimed to be copies of the Works for which they had paid.

The summons first came before me on 1 September 1989. It was adjourned as the parties were attempting to reach a settlement. It came before me again on 20 September 1989, after hearing Counsel, I made an order that the musical publications set out in schedules be released and returned to the defendants. I refused an application for a stay of execution.

The Anton Piller Order of 17 January 1989 allowed the plaintiffs to remove only unauthorized reproductions of the Works. If such unauthorized reproductions were all that the defendants had in their possession, there might have been no problem for the plaintiffs in executing the order. In this case, however, the defendants had been purchasing genuine copies of the Works from the plaintiffs for some 20 years, and the stocks in their premises included both such genuine copies of the Works and unauthorized reproductions. It was clear from the somewhat different accounts of the searches at various premises of the defendants that the process of identification which was used was prone to error. Some bundles of allegedly unauthorized reproductions were even taken away without their being unpacked for examination. In the result, it was an inescapable inference that at least some copies of the Works were also removed. This much was in fact admitted by Mr. Dyer, the Chairman and managing director of the plaintiffs. In his affidavit of 10 July 1989, which was filed in opposition to the summons, he averred that he had sifted out the counterfeit copies with great care and believed that "the accuracy of my work probably exceeds 95% in view of the vast amount of material examined".

In my opinion, the sweeping powers accorded to plaintiffs by Anton Piller orders, which are so freely granted by our Courts, impose on plaintiffs a serious responsibility to see that the terms of the orders are strictly adhered to and that there is no breach of any of the terms. If unauthorized reproductions are allowed to be removed, the plaintiffs must ensure that only unauthorized reproductions are removed and no more: they cannot take any comfort from the belief that they have executed the order with great care and have probably been more than 95% accurate in their work of removal. This may well impose a heavy burden on plaintiffs in some cases, as in this case, where authentic publications in the premises are mixed with unauthorized reproductions, and identification and separation may no longer be a simple matter. Nevertheless, Anton Piller orders are so draconian in nature and extent, that, if they are not to become instruments of oppression, their limits must be meticulously obeyed and enforced.

The plaintiffs' solicitors argument against the release and return of any of the seized materials was that they constituted the evidence which the plaintiffs needed to prove their case. This was not an argument which found any favour with me at all. The defendants in this case had already admitted liability in principle and on the same day, 20 September 1989, consented

to judgment being entered against them. If what the plaintiffs really meant was that the retention of all the seized materials would be necessary to enable them to quantify damages, this appeared to me to be a totally unrealistic approach towards this particular problem. The prayers in their own statement of claim had asked for damages, which are based upon the loss of sales of their own Works, or alternatively an account of profits, which are based on profits made by the defendants; I could not see, in the absence of any explanation, how unsold materials could help them. In fact, the seized materials should have been retained by the plaintiffs for no more than the time required to enable their solicitors to complete a proper inventory to replace the crude tally sheets which in July 1989 and before judgment was entered, they were still exhibiting to their affidavits. On this, see *Columbia Picture Industries & Ors. v. Robinson & Ors.* [1986] FSR 367 per Scott J at p. 440.

Before appealing against my order of 20 September 1989, the plaintiffs sought the opportunity to present further arguments under s. 34(2) of the Supreme Court of Judicature Act (Cap 332). Before the further arguments could be heard, however, I was informed that the seized materials in the warehouse had been removed from their original container and placed in another location, and that they were no longer in the separate piles into which they had been re-sorted at the joint inspection held on 3 May 1989. While the removal had been done by the warehousemen, from a continuation without the knowledge of the plaintiffs' solicitors, the episode only brought home more clearly the risk, if the seized materials continued to be with the plaintiffs' solicitors, of a breach of the plaintiffs' undertakings with regard to safe custody.

At the hearing of the further arguments on 3 October 1989 the plaintiffs only sought a variation of my previous order of 20 September 1989. They offered two alternatives: to pay the defendants $4,000 for the seized materials ordered to be returned; or to replace them with identical publications from their own stocks free of charge. They still maintained that the seized materials were necessary as evidence, but now they disclosed for the first time that their main concern was to prevent pirated or unauthorized reproductions from being re-introduced into the Singapore market. It was still not explained in these further arguments how unsold copies of counterfeit materials could be used as evidence to quantify damages. Preventing the possible re-introduction of unauthorized reproductions into the Singapore market was a much more relevant consideration. However, there did not appear to me to be any risk of the defendants doing this, in view of their ready admissions of liability and the existence of the injunctions which the Singapore Court have shown themselves competent to enforce.

The plaintiffs have already had judgment entered in their favour, and in my judgment they should get down to having their damages quantified, and finalising this matter. I therefore made a supplemental order for the parties to arrange a second joint inspection within 28 days, so that the publications to be returned under the order of Court of 20 September 1989 could be re-identified and the orders carried out, with liberty to apply.

Also found at [1990] 1 CLJ 396